

COMMUNITY AND ECONOMIC DEVELOPMENT

Program Goal

The Community and Economic Development Department creates or facilitates development activities that add or retain jobs, enhances city revenues and enhances the quality of life including business development in the downtown redevelopment area, Sky Harbor Center and other non-redevelopment areas.

Budget Allowance Explanation

The Community and Economic Development operating budget allowance of \$12,853,000 is \$525,000 or 3.9 percent less than 2003-04 estimated expenditures. This decrease is due primarily to General Fund expenditure reductions, a one-time

reallocation of Community Development Block Grant funds in 2003-04, and a reduction in debt service payments. This decrease is partially offset by a return to full staffing in 2004-05, inflationary increases and the carry-forward of 2003-04 funds for downtown development projects.

General Fund expenditure reductions include funds for marketing and promotion of the city as an employment base and the elimination of a study to determine the benefits of the government property lease excise tax (GPLET) for redevelopment of the city's urban core. Reduced promotion of Phoenix will result in fewer jobs added to our economic base. Additionally, documentation of the benefits of a critical redevelopment tool will not occur.

Expenditure and Position Summary

	2002-03	2003-04	2004-05
Operating Expense	\$11,351,000	\$13,378,000	\$12,853,000
Total Positions	51.0	50.0	50.0
Source of Funds:			
General	\$5,754,000	\$5,505,000	\$5,880,000
Community Development Block Grant	1,499,000	1,650,000	1,077,000
City Improvement	1,816,000	3,441,000	3,112,000
Sports Facilities	518,000	585,000	562,000
Aviation	572,000	533,000	564,000
Water	549,000	484,000	550,000
Civic Plaza	498,000	520,000	536,000
Grant Funds	58,000	508,000	456,000
Community Reinvestment	87,000	132,000	96,000
Other Restricted Funds	—	20,000	20,000

Economic Development Major Performance Measures and Service Levels

The following significant performance measures and service trends will be achieved with the 2004-05 budget allowance:

	2002-03	2003-04*	2004-05
Projected jobs created/retained within the city of Phoenix as a result of department efforts	4,014	7,372	8,829
Loan applications approved for the Expand Collateral Loan Assistance Program	17	16	17
Number of development/redevelopment projects in process	39	73	83
Estimated sales tax generated from projects	\$17,320,968	\$18,925,788	\$22,492,389
Projected average annual salary for new jobs with companies newly located in Phoenix	\$41,821	\$35,691	\$37,000

*Based on 10 months actual experience.

The projected number of jobs created/retained has increased due to improved tracking efforts to measure jobs retained and also to significant business attraction efforts, such as locating the Wells Fargo Consumer Credit Group to Phoenix in 2003 (projected 1,300 new jobs). The number of development/redevelopment projects has increased due to a very strong interest in central Phoenix. Upcoming projects attracting new development include the Light Rail project, the Translational Genomics Research Institute and the International Genomics Consortium (TGen and IGC), and plans for major expansion of ASU Downtown. Estimated sales tax generated has increased due to the number of new construction projects anticipated in relation to the activities in central Phoenix. Projected average annual salary of new jobs has decreased from 2002-03 because high technology jobs associated with TGen and IGC were identified in 2002-03.